



# Australia: Foodservice Equipment

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June 2008

## Summary

The Australian foodservice equipment market is very competitive, with most international brands vying for market share. An estimated 80-100 different brands are on the market.

Researcher BIS Shrapnel estimates the annual foodservice equipment market at US\$4.6 billion, calculated with average list prices. Foodservice equipment covers around 30 various products across commercial and institutional channels and includes preparation, cooking, refrigeration, and washing equipment. The market is forecast to grow at an average annual rate of three percent through 2011.

In 2007, Australia imported US\$992 million of foodservice equipment. Italy and China were the principal suppliers. Others included New Zealand, the U.S., South Korea, and Germany. Imports from the U.S. totaled US\$80 million, for an 8 percent share.

U.S.-made equipment enjoys a high quality image and is well accepted in this market. The Free Trade Agreement between the U.S. and Australia (AUSFTA) has eliminated import duties on U.S.-made equipment. This, together with an extremely-favorable exchange rate, provides U.S. exporters with an ideal opportunity for increased sales to Australia.

The exchange rate used in this report is A\$1 equals US95.87 cents.

## Market Demand

Australia is an affluent society with a rising number of two income households and, therefore, more propensity to eat out. A BIS Shrapnel study entitled *Australian Foodservice 2007* noted that Australian palettes have matured significantly in the past 20 years, and eating out has remained very affordable when compared with other mature foodservice markets around the world. The Australian foodservice industry is a vibrant and growing market, offering all types of cuisines and eating options.

Australia also enjoys a reputation for being a favored destination among many international tourists. From January 31, 2007 to January 31, 2008, there were 5.6 million visitors to Australia, up by two percent from the previous year. Foodservice is among the industries with which tourism demand has a strong influence.

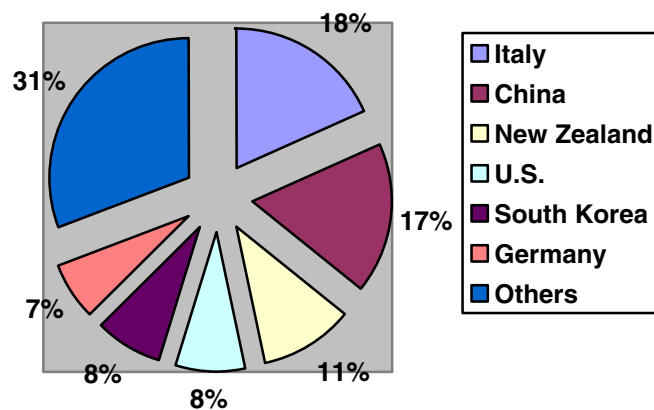
BIS Shrapnel estimates the foodservice industry to be worth around US\$33 billion in 2007 consumer prices and predicts a compound annual growth of 6.8 percent through 2012.

The foodservice equipment market is forecast to grow at an average annual rate of three percent through 2011, with the commercial sector experiencing stronger growth than the institutional segment.

Equipment offering the latest technology and design will continue to be in demand with major foodservice groups. Both the commercial and institutional foodservice sectors rely on well-functioning equipment, fast replacement parts, and quick-servicing to ensure business operations are at optimal levels. Research shows that poor availability of spare parts and long equipment delivery times impact on foodservice operators. Foodservice equipment suppliers that can meet these demands will benefit in terms of increased goodwill and reputation in the marketplace.

## Market Data

**2007 Import Market Shares Foodservice Equipment in Australia**



Source: Australian Bureau of Statistics

## Best Prospects

The highest demand in foodservice equipment is for:

- Electric and combined gas-electric cooking equipment
- Non-electric bakery ovens
- Stainless steel sinks
- Refrigerating/freezing equipment other than ice making machines and display cabinets
- Electric coffee/tea making machines.

In 2007, imports of this equipment increased in quantity between 5.2 and 18.8 percent.

The pre-owned equipment market is substantial, with a high percentage of foodservice outlets considering this equipment when purchasing items. Pre-owned equipment marketed in Australia includes many products, from automatic toasters to warming equipment.

## Key Suppliers

### Imports

Imports dominate the Australian foodservice equipment market and originate from many countries.

Thirty products span the commercial and institutional sectors, including preparation, cooking, refrigeration, and washing equipment. Other items include kitchen utensils, bakeware, tableware, glassware, crockery, cutlery, cleaning equipment, storage systems, furniture, and laundry equipment.

In 2007, Australia imported US\$992 million of foodservice equipment within the following harmonized codes:

- HS7324.10 Stainless steel sinks
- HS8210.00 Hand operated mechanical appliances 10 kg or less for food/drink preparation
- HS8417.20 Non-electric bakery ovens, including biscuit ovens

- HS8418.10 Combined refrigerators/freezers, with separate doors
- HS8418.69 Other refrigerating/freezing equipment
- HS8418.99 Parts for refrigerators/freezers and heat pumps
- HS8419.81 Equipment for heating food and drink
- HS8422.19 Dishwashing machines
- HS8516.60 Non-portable, fixed-wire electric and combined gas-electric cookers, cooking plates, boiling rings, grillers, and roasters – non-domestic
- HS8516.71 Electric coffee/tea making machines

Italy was the leading supplier of this equipment with an 18 percent share. China was next (17 percent), followed by New Zealand (11 percent), the U.S. (8 percent), South Korea (8 percent), and Germany (7 percent).

Key 2007 imported foodservice equipment sources were:

<i>Equipment</i>	<i>Key Countries of Origin</i>	<i>Total Value from all Countries, US\$</i>
Stainless Steel Sinks	China, Italy, Germany, Hong Kong	28 million
Hand operated mechanical appliances 10 kg. or less for food/drink preparation	China, Italy, France	13 million
Non-electric bakery ovens, including biscuit ovens	Germany, United States, Italy	6 million
Combined refrigerators/freezers, with separate doors	South Korea, New Zealand, Thailand, China, Indonesia, United States	197 million
Other refrigerating/freezing equipment	United States, China, Italy, Puerto Rico, Japan	182 million
Parts for refrigerators/freezers and heat pumps	China, New Zealand, United States, Italy, Thailand	82 million
Equipment for heating food and drink	Italy, United States, Germany, New Zealand	119 million
Dishwashing machines	New Zealand, Italy, Germany	19 million
Non-portable, fixed-wire electric and combined gas-electric cookers, cooking plates, boiling rings, grillers, and roasters	Italy, Germany, China, New Zealand	195 million
Electric coffee/tea making machines	Italy, China, Switzerland	56 million

Source: Australian Bureau of Statistics/Industry Sources

Italy led in imports of electric and combined gas-electric cooking equipment, and food and drink heating equipment. Prominent imports also included refrigerated display counters and other refrigerating/freezing equipment. Zanussi, Carpigiani, Brasilia, Cimbali, Burlodge, Angelo Po, Lainox, ISA, Mondial Forni, Mareno, Mugnaini, Rational, Elmeco, Pietroberto, Polin, Fiorenzato, and IGF/Fornitalia are among the many brands on the market.

China was prominent in many categories, particularly refrigeration display counters, refrigerating/freezing equipment and parts, and stainless steel sinks. The quality gap between Chinese manufactured products and foodservice equipment from Europe and America is shrinking. And Australian foodservice operators are starting to take notice. China is also closer geographically to Australia, so shipping is cheaper and quicker.

New Zealand led in imports of dishwashing machines and refrigerated display counters. Other main imports were combined refrigerators/freezers, refrigeration parts, and equipment for heating food and drink. Cossiga, Washtech, and Future Products are popular brands on the market. Imports from New Zealand benefit from the geographical proximity and the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), whereby most goods qualify for duty free status.

U.S.-made equipment enjoys a high quality image and is well accepted. In 2007, imports from the U.S. totaled US\$80 million, for an 8 percent share. Popular U.S. brands include Aladdin Temp-Rite, Alto Shaam, Amana, Autofry, Belshaw, Blodgett, Bloomfield, Carter-Hoffman, Cleveland, Edhard, Frymaster, Garland, Groen, Hamilton Beach, Hatco, Henny Penny, Hobart, IMI Cornelius, Lincoln, Manitowoc, Middleby Marshall, Taylor, XLT, and Winston. Hobart Corporation has a subsidiary in Australia, providing cooking, preparation, and warewashing equipment. Robot Coupe also has an office here, supplying food processing equipment, vegetable preparation equipment, ice cream machines, pizza equipment, and mixing machines.

South Korea led in imports of combined refrigerators/freezers. Over the past two years, Korea has lost some market share to Thailand and Indonesia.

The main imports from Germany were electric and combined gas-electric cooking equipment, heating food and drink equipment, and dishwashing machines.

Other countries supplying foodservice equipment to Australia in 2007 included Thailand, Japan, Indonesia, Taiwan, Sweden, and France.

#### Local Production

Moffat Pty. Ltd., owned by the large ALI Group in Italy, and Goldstein Eswood are the leading foodservice equipment manufacturers in Australia.

Headquartered in Melbourne, the Moffat Group manufactures and markets a comprehensive range of equipment for food preparation, cooking, baking, chilling, handling, and serving for the hospitality, foodservice, bakery, and ice cream industries. Principal manufacturing operations are in New Zealand and Brisbane, Queensland. Goldstein Eswood is an amalgamation of J.Goldstein & Co. and Eswood Australia. Based in Sydney, the Australian owned company designs and builds "Goldstein" brand cooking equipment and "Eswood" dishwashers.

Other manufacturers include:

Bakery Machinery Service Pty. Ltd. – deck ovens  
Beech Ovens – cooking equipment  
Bracton Industries – warewashing machines  
Curtin (SA) Pty. Ltd. – cooking and refrigeration equipment  
Geddes – bakery equipment  
Luus Industries Pty. Ltd. – cooking equipment  
Norris Industries - warewashing machines  
Orford Refrigeration – refrigerators, freezers, display cases  
Perfect Fry Company – fryers, hot/cold food display units, grills, toasters, counters, refrigeration equipment  
Roband Australia – countertop products, fryers, foodbars  
Stoddart Manufacturing – refrigerated display cabinets, kitchen equipment, countertop food equipment  
Woodson Australia Pty. Ltd. – hot/ and cold food display units

#### **Prospective Buyers**

BIS Shrapnel estimates the commercial foodservice sector at 60,970 outlets and 15,230 institutional. The commercial sector channels are restaurants, cafes, hotels, fast food outlets, clubs, caterers, and function centers. Institutional includes hospitals, nursing homes, tertiary institutions, schools, and workplace canteens. The commercial segment is forecast to continue growing faster than institutional, which is experiencing strong growth in demand from nursing homes, retirement villages, and tertiary institutions. The commercial sector's main growth is expected to come from the full-service restaurant, café, and hotel channels.

Fast food chains, takeaway (“to go”) outlets, clubs, and hotels are popular locations for buying a full meal or snack. U.S. brands have a receptive audience in Australia. McDonald’s is the largest chain with 762 outlets, followed by KFC at 600 stores in Australia and New Zealand, and Hungry Jack at 308. Other U.S. establishments operating in Australia include Subway, Taco Bell, Pizza Hut, Krispy Crème, Domino’s Pizza, Dunkin’ Donuts, and Cinnabon.

## Market Entry

Due to the maturity of the Australian foodservice equipment market, U.S. corporations looking to enter and take market share would need to aggressively price new equipment and offer significant, technological competitive advantages.

The equipment must conform to Australian specifications of 240 volts, 50 cycles. 220-volt electrical appliances should operate safely. The plug/socket system in Australia is 3-pin, flat-pin type.

## Market Issues and Obstacles

The Free Trade Agreement between the U.S. and Australia (AUSFTA) has eliminated import duties on foodservice equipment from the U.S. This, together with an extremely favorable exchange rate, provides U.S. exporters with an ideal opportunity for increased sales to Australia. The import duty from other countries, except New Zealand, is five percent.

A Goods and Services Tax (GST) of 10 percent applies to the sale or provision of most goods and services consumed in Australia. The GST levy is calculated on the value of the taxable import (VOTI), which is the cost of the equipment, plus freight and insurance for shipping the equipment to Australia.

Minimum Energy Performance Standards (MEPS) exist for commercial refrigeration systems manufactured in or imported into Australia. The scope of commercial refrigeration MEPS includes both remote and self-contained refrigerated display cabinets primarily used for the storage of frozen and unfrozen food. MEPS requirements are set out in Australian Standards AS 1731.14-2003 and AS 1731-14.2003/Amendment 1-2005, as total energy consumption per total display area (TEC/TDA) in kWh/day/square meter for various unit types. The standard also defines minimum efficiency levels for “High Efficiency” refrigerated display cabinets. Only products that meet the specified efficiency levels can apply this term to promotional or advertising materials.

Other standards relating to refrigerated display cabinets are:

- AS 1731.1.2003: Terms and definitions
- AS 1731.12-2003: Measurement of the heat extraction rate of the cabinets when the condensing unit is remote from the cabinet
- AS 1731.2-2003: General mechanical and physical requirements
- AS 1731.3-2003: Linear dimensions, areas, and volumes
- AS 1731.3-2003: General test conditions
- AS 1731.5-2003: Temperature test
- AS 1731.6-2003: Classification according to temperatures
- AS 1731.7-2003: Defrosting test
- AS 1731.8-2003: Water vapour condensation test
- AS 1731.9-2003: Electrical energy consumption test

For specific information on standards for foodservice equipment, please contact:

Standards Australia  
Level 10, The Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Telephone: (61-2) 9237 6000  
Fax: (61-2) 9237 6010  
Website: <http://www.standards.org.au/>

## Trade Events

Event Name: HOTEL AUSTRALIA  
Date: September 22-25, 2008  
Location: Melbourne Convention and Exhibition Centre  
Website: [http://www.foodaustralia.com.au/page/hotel\\_australia.html](http://www.foodaustralia.com.au/page/hotel_australia.html)  
Email: [shows@divexhibitions.com.au](mailto:shows@divexhibitions.com.au)

Event Name: FOODService Australia  
Date: May 2010  
Location: Melbourne Convention and Exhibition Centre  
Website: <http://www.foodserviceaustralia.com.au/>  
Email: [foodserviceaustralia@etf.com.au](mailto:foodserviceaustralia@etf.com.au)

## Resources and Key Contacts

Restaurant & Catering Australia	<a href="http://www.restaurantcater.asn.au/">http://www.restaurantcater.asn.au/</a>
Restaurant & Catering NSW/ACT	<a href="http://www.rcnsw.asn.au/">http://www.rcnsw.asn.au/</a>
The Foodservice Suppliers Association of Australia & New Zealand	<a href="http://www.fsaa-nz.org.au/">http://www.fsaa-nz.org.au/</a>
FoodService Magazine	<a href="http://www.yaffa.com.au/">http://www.yaffa.com.au/</a>
Hospitality Magazine	<a href="http://hospitalitymagazine.com.au/">http://hospitalitymagazine.com.au/</a>
Leading Edge Magazine	<a href="http://www.leadedgejournal.com.au/">http://www.leadedgejournal.com.au/</a>
Open House Magazine	<a href="http://www.openhousemagazine.net/">http://www.openhousemagazine.net/</a>
Australian Hospitality Directory	<a href="http://www.hospitalitydirectory.com.au/">http://www.hospitalitydirectory.com.au/</a>
BIS-Shrapnel	<a href="http://www.bis.com.au/">http://www.bis.com.au/</a>

## For More Information

Please contact the U.S. Commercial Service in Sydney, Australia via e-mail at: [Patricia.Matt@mail.doc.gov](mailto:Patricia.Matt@mail.doc.gov); Phone: (61-2) 9373 9211; Fax: (61-2) 9221 0573 or visit our website: [www.buyusa.gov/australia/en](http://www.buyusa.gov/australia/en)

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